

**Congressional Hearing
House Committee on Small Business
March 25, 2008**

My name is Dick Timmerberg and I am the Executive Director of the West Point Lake Coalition, a board member of the Middle Chattahoochee Water Coalition, a member of the West Point Lake Advisory Council, and at the request of Georgia EPD, I served two years on the Chattahoochee Basin Advisory Committee in Phase 1 of the Georgia Statewide Water Planning Process.

I want to thank the House Committee on Small Business for the opportunity to testify here today as to how the economy of West Georgia in general and the small businessmen/women in particular have been devastated by the drought of 2006/2007 and the rigid management practices of the United States Army Corps of Engineers and the US Fish & Wildlife Service.

In the fall of 2006, the communities of W. Georgia and E. Alabama came together in a major fund raising drive spearheaded by the LaGrange/Troup County Chamber of Commerce and the Greater Valley Area Chamber of Commerce. An amazing \$268,000 was contributed by businesses and individuals once again demonstrating this area's commitment to West Point Lake, this area's concern for the future of West Point Lake, and this area's recognition of the economic value and economic importance of West Point Lake.

The funds were and are being used to commission an economic impact study on West Point Lake and an environmental impact study on West Point Lake. The firm of Basile, Baumann, Prost, Cole, & Associates, Inc. (BBPC), which was commissioned to do the economic report, is headquartered in Annapolis, Maryland, and enjoys an outstanding national reputation. BBPC was selected over the other firms interviewed because of their credibility and experience; BBPC has conducted similar studies on other Corps' reservoirs and for the Tennessee Valley Authority.

BBPC completed the economic impact study in December of 2007; and I am submitting a copy of this study as a part of my testimony today. Three alternative economic impact analyses were prepared:

- Alternative 1: Economic impact and value at low water levels of 630 MSL and below (baseline)**
- Alternative 2: Conservative estimate of economic impact and value at higher water levels in the range of 630 up to 633 MSL**
- Alternative 3: Moderate estimate of economic impact and value at optimal water levels in the range of 633 up to the full pool level of 635 MSL**

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The projected economic impact and value of West Point Lake, at the above three alternatives, is listed below:

- **Alternative 1: \$153,795,150.00**
- **Alternative 2: \$419,349,599.00** **Plus \$265,554,449.00 versus Alternative 1**
- **Alternative 3: \$709,765,619.00** **Plus \$555,970,469.00 versus Alternative 1**
 Plus \$290,416,020.00 versus Alternative 2

We have already heard that West Point Lake was specifically authorized by congress for five purposes and only five purposes: recreation, sport fishing & wildlife development, hydropower, flood control, and navigation. US Army Corps of Engineers' documents state that the initial recreation impact level on West Point Lake is 632.5 MSL. Please recall that one of congress' five, specific authorizations for West Point Lake is recreation. Then note that at no time in 2006, 2007, and the first two months of 2008 (a total of 26 months) has the average monthly lake level at West Point Lake met or exceeded the initial recreation impact level of 632.5 MSL. Speaking candidly, the Corps of Engineers has not been held accountable for their management of West Point Lake as authorized by congress; and their track record over the past 26 months demonstrates a total disregard for the recreation and sport fishing/wildlife development authorizations. We would submit that recreation impact levels and economic impact levels are one and the same.

Basis the just completed economic study by the firm of BBPC, the economic impact of West Point Lake to our area conservatively approaches between \$821,524,918.00 and \$1,111,940,938 during combined 2006 and 2007 at the documented levels. Low lake levels severely affect visitation to West Point Lake. Visitations were down 100,000 in 2007 vs. 2006; and these same visitations are down 3,699,917 vs. the Corps' analysis which indicates that 6,900,000 visitors is the optimum visitation. At an extremely conservative estimate of \$100.00 spent per visitation, our community lost \$10,000,000 in 2007 vs. 2006 due to the decline in visitation alone; and the lost economic impact opportunity was \$369,991,700 vs. the Corps' optimum visitation numbers. At the risk of stating the obvious, visitation to West Point Lake declines significantly when there is not a dependable lake level; when the lake is unsafe; when people lose access to parks and swimming areas; and when people lose access to the water either via boat or via land! Equally obvious, when visitation declines significantly, the economic value of West Point Lake drops drastically and the negative, economic impact or lost economic opportunity increases substantially!

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Having demonstrated the economic impact in general, i.e. the big picture, let's turn to specific examples of the devastating impact on the small businessmen/women. I personally interviewed six different businesses which are "directly" dependent on West Point Lake for their overall success or failure both short term and long term. Thanks to these businessmen/women who have shared their data with me, I have detailed the results below:

- **Business 1:** "Revenue was down 75% and my business would have gone south had I not diversified into non, lake-related side businesses."
- **Business 2:** "Tackle sales were down a minimum of 25% and I dropped my bass boat distributorship due to declining sales; on the boat sales side, I was down 100%."
- **Business 3:** "Bait and tackle sales were down 30% speaking conservatively; and we lost our gasoline business due to our inability to compete due to low volume and higher retail prices."
- **Business 4:** "During the six months between September, 2007 and February, 2008, revenues were down \$96,000.00 vs. the same period last year. Had our average monthly growth rate of 10% to 20% prior to the drought continued, lost revenues would have exceeded well over \$100,000.00. To attempt to minimize the losses, we increased advertising \$15,000.00; repairs to damaged docks due to low water conditions totaled \$12,000.00; and \$3,000.00 in dredging expense was incurred in an attempt to keep our ramp open. Combined impact comes to \$126,000.00; and this does not include the loss of three bass tournaments, approximately 550 boats or 1,100 fishermen/women; plus the loss of at least 100 boats in our year end Championship Tournament due to low lake levels and severely, limited access."
- **Business 5:** "Bait and tackle sales are down a minimum of 48%; every credit card is maxed out and every day I am losing money; I had to take an outside job to support my family and tread water long enough to hopefully, somehow, hold onto my store."
- **Business 6:** "When I bought this store 5 years ago, it was a dream come true; I finally owned my own business. The first 3 years were successful as we improved the building and expanded both our products and inventory. Over the past 24 months due to the drought and the low water levels, sales have declined an average of \$20,000.00 per month and we lost our gas contract. In an effort to stop the bleeding, we added a kitchen and began selling biscuits, etc. Finally, I had to seek other full

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time employment and leave my wife and/or daughter alone in the store. The store is currently for sale; if it doesn't sell, we will lose it!"

What do the above businesses have in common? All of them were, relatively speaking, successful in their chosen niche until the drought hit and low, unacceptable water levels dragged on for over two years. Each of them went over and above the norm to increase and/or stabilize their revenues in an attempt to save their business and their livelihood. Unfortunately, in some cases, it appears that their efforts, through no fault of their own, will not succeed and their businesses and their dreams will be lost.

Please note that the above economic impact instances do not include the ripple effect throughout our community on restaurants, grocery stores, gas, rentals, home sales, marine sales, etc.

The small businessmen/women who are the backbone of our country are fast becoming the "endangered species"; and no one is protecting them! While West Point Lake was drained, water was sent downstream to protect endangered mussels. We have quantified the economic impact to our community and to several of the small businesses; and I have yet to see the economic benefit or value of the endangered mussels. However, I do favor saving an endangered species if someone can demonstrate their value and/or worth and then prioritize that with the needs of stakeholders. Assuming for the moment that the endangered mussel species are viable long term, why was action not taken to re-locate the mussels to a hatchery or to re-establish them in a like stream or river? In fact, there never was a proactive solution; the response from the Corps of Engineers and the US Fish and Wildlife Service was simply to keep releasing water far in excess of what Mother Nature would have provided and with no consideration for the dire consequences to the small businessmen/women! Apparently, the use of common sense is endangered as well!

In conclusion, we want to see Lake Lanier full as well as West Point Lake and Lake George. The federal reservoirs on the ACF System and the System itself should be managed in a fair and proportionately equal manner; the federal reservoirs should be managed for their authorized purposes; and they should not be managed for unauthorized purposes. We support "percent of storage remaining" as a fair and equitable measurement during times of drought and negative economic impact. We support growth and want to see a strong and vibrant Atlanta metro area as the main economic engine for the state of Georgia. That said, that growth must be smart growth which is well planned and takes into account the finite, limited water supply in the Chattahoochee River and acknowledges the economic needs and right to growth for downstream communities as well.

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What we will never support is the transfer of economic wealth from one community to another community using water as currency.

We ask that congress hold the Corps of Engineers accountable to manage West Point Lake as it was authorized so that the lake's economic benefit can be realized. We ask that the new interim operating plan reflect and prioritize the authorized purposes versus the unauthorized needs while recognizing the devastating economic harm done previously and minimizing the negative economic impacts in the future.

Thanks once gain for conducting this hearing in LaGrange and for giving me the opportunity to testify.

Respectfully submitted,

**Dick Timmerberg
Executive Director
West Point Lake Coalition**

Digital copies of the “Economic Impact of West Point Lake at Various Lake Water Levels” study can be obtained by accessing the site below:
<http://ivic02.residentinteractive.com/programs/download.pdf?xinput=25203597> or
www.lagrange-ga.org and look for the report under the "documents, maps and forms" tab.

Current and Potential Economic Impact of West Point Lake

ECONOMIC IMPACT (in millions)

